

MT LEGISLATIVE HISTORY

Chapter C 465 1975

Bill H _____ S 370

Original bill & Hist. ✓ C

H. Committee on _____

S. Committee on _____

Hearing Date(s) _____ C

Hearing Date(s) _____ C

2/20 ✓ C

3/18 ✓ C

_____ C

_____ C

_____ C

_____ C

Date Out 2/20 ✓ C

3/18 ✓ C

3/19 ✓

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

SENATE BILL NO. 370

INTRODUCED BY DEVINE

(BY REQUEST DEPARTMENT OF REVENUE)

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR
ALTERNATIVE METHODS OF APPORTIONING UTILITY ASSESSMENTS TO
THE COUNTIES AND AMENDING SECTIONS 84-708.1, 84-803, AND
84-906, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 84-708.1, R.C.M. 1947, is amended
to read as follows:

"84-708.1. Powers and duties of the state department
of revenue. (1) To annually assess the franchise, roadway,
roadbeds, rails, and rolling stock, and all other property
of all railroads, and the pole lines and rights of way and
all other property of all telegraph and telephone lines,
electric power and transmission lines, ditches, canals, and
flumes, and other similar property, constituting a single
and continuous property operated in more than one (1) county
in the state, or more than one (1) state. and to To
apportion such assessments to the counties in which such
properties are located on a mileage basis, ~~or in the case of~~
~~telegraph or telephone microwave electronic equipment, which~~
~~has no physical connection with the total system, but is an~~

~~integral part of such system, apportion the valuation for~~
~~assessment of such company in this state among the several~~
~~counties of this state in such proportion as will fairly~~
~~represent the valuation for assessment within each such~~
~~county, utilizing commonly recognized methods of~~
~~apportioning as shall be just and equitable, provided,~~
however, that or if the property of any company assessable
under this section is of such a character that its value
cannot reasonably be apportioned on the basis of mileage,
the department may adopt such other method or basis of
apportionment to the county or counties in which the
property is situated as may be just and proper. All lots
and parcels of real estate not included in right of way,
with the buildings, structures, and improvements thereon,
dams and power houses, depots, stations, shops, and other
buildings, erected upon right of way, furniture, machinery,
and other personal property, ~~shall not be considered as a~~
~~part of any such single and continuous property, but which~~
is not part of any such single and continuous property,
shall be considered as separate and distinct therefrom, and
shall be assessed by the agent of the department of revenue
in the county wherein they are situate.

(2) To transmit to the county clerk of each county its
apportionment of all assessments made by the department.

(3) To adjust and equalize the valuation of taxable

INTRODUCED BILL

property among the several counties, and the different classes of taxable property in any county and in the several counties and between individual taxpayers; supervise and review the acts of agents of the department; change, increase or decrease valuations made by its agents; and exercise such authority and do all things necessary to secure a fair, just and equitable valuation of all taxable property among counties between the different classes of property and between individual taxpayers.

(4) To have and exercise general supervision over the administration of the assessment and tax laws of the state, and over its agents and any officers of municipal corporations, having any duties to perform under any of the laws of this state relating to taxation to the end that all assessments of property be made relatively just and equal at true value in substantial compliance with law, and to supervise the administration of all revenue laws of the state and assist in their enforcement. Further, the state department of revenue is empowered to organize, and it shall be its duty to schedule and hold area schools within the state for appraisers and assessors as often as is deemed necessary in the judgment of the department and the costs of such appraisers and assessors attending shall be borne by the state. Further, the department shall determine if there is a need for a taxing, assessing, and appraising school,

and such school shall be held, when deemed necessary. The department shall notify all assessors and appraisers at least six (6) months before such school is scheduled and it shall be the duty of all assessors and appraisers to attend and the cost of their attendance shall be borne by the state.

(5) To confer with, advise and direct officers of municipal corporations as to their duties, with respect to taxation, under the statutes of the state.

(6) To direct proceedings, actions and prosecutions to be instituted to enforce the laws relating to the penalties, liabilities and punishment of public officials and persons, or their agents, for failure or neglect to comply with the provisions of the statutes governing the revenue of the state or municipal corporations; and to cause complaints to be made against assessors and other public officers to the proper district court for their removal from office for official misconduct or neglect of duty.

(7) To require county attorneys to assist in the commencement and prosecution of actions and proceedings for penalties, forfeitures, removals and punishment for violations of the laws of the state in respect to the assessment of property and other revenue laws, in their respective counties.

(8) To collect annually from the proper officers of the

1 municipal corporations information as to the assessment of
2 property, collection of taxes, receipts from licenses and
3 other sources, the expenditure of public funds for all
4 purposes, and such other information as may be needful and
5 helpful in the work of the department in such form and upon
6 such blanks as the department shall prescribe; and it shall
7 be the duty of all public officers so called upon to fill
8 out properly and return promptly to the department all
9 blanks so transmitted and in every way aid the department in
10 its work; to examine the records of all municipal
11 corporations for such purposes as are deemed needful or
12 helpful by the department.

13 (9) In its discretion, to inspect and examine, or cause
14 an inspection and examination of the records of the officers
15 of any municipality, whenever such officer shall have
16 failed, neglected or refused to return properly the
17 information required by this section within the time set by
18 the department. Upon completion of such inspection and
19 examination the department shall transmit to the clerk, or
20 other proper official of the municipality, a statement of
21 the expenses incurred by the department to secure the
22 necessary information. Within sixty (60) days after the
23 receipt by the municipality of the above statement, the same
24 shall be audited, as other claims of the municipal
25 corporation are audited and shall be paid into the state

1 treasury and if the same is not so paid the attorney general
2 shall institute an action, in the proper court, against the
3 municipality to recover the same.

4 The officers responsible for the furnishing of the
5 information collected pursuant to this section, shall be
6 jointly and severally liable for any loss the municipality
7 may suffer, through their delinquency; and no payment shall
8 be made to them for salary, or on any other account, until
9 the cost of such inspection and examination as provided
10 above shall have been paid into the treasury, or to the
11 proper officers of such municipality. They shall also be
12 subject to such other fines and penalties as prescribed by
13 law.

14 (10) To require persons, as defined above, to furnish
15 information concerning their capital, funded or other debt,
16 current assets and liabilities, cost and value of property,
17 earnings, operating and other expenses, taxes and all other
18 facts which may enable the department to ascertain the value
19 of the relative burdens borne by all kinds of property and
20 occupations in the state.

21 (11) To summon witnesses to appear and give evidence,
22 and to produce records, books, papers and documents relating
23 to any matter which the department shall have authority to
24 investigate and determine.

25 (12) To cause the deposition of witnesses residing

1 within or without the state, or absent therefrom, to be
2 taken upon notice to the interested party, if any, in like
3 manner that depositions are taken in actions pending in the
4 district court, in any matter which the department shall
5 have authority to investigate and determine.

6 (13) To examine into all cases where evasion or
7 violation of the laws for taxation of property, proceeds,
8 occupation or business is alleged, complained of or
9 discovered, and to ascertain wherein existing laws are
10 ineffective or are improperly or negligently administered.

11 (14) To investigate the tax systems of other states and
12 countries and to formulate and recommend legislation for the
13 better administration of the fiscal laws so as to secure
14 just and equal taxation and improvement in the system of
15 taxation and the economical expenditure of public revenue in
16 the state.

17 (15) To consult and confer with the governor of the
18 state upon the subject of taxation, the administration of
19 the laws relating thereto and the progress of the work of
20 the department, and to furnish the governor such assistance
21 as he may require.

22 (16) To transmit to the governor and to each member of
23 the legislature twenty (20) days before the meeting of the
24 legislature, a report of the department, showing all the
25 taxable property of the state and the value of the same in

1 tabulated form, with recommendations for improvements in the
2 system of taxation, together with such measures as may be
3 formulated for the consideration of the legislature; and to
4 include therein a report showing the selling price of
5 gasoline at the wholesale level in prime market centers of
6 Montana and in surrounding states during the biennium, with
7 indexes tabulated at sufficient intervals to show the
8 comparative state price structures."

9 Section 2. Section 84-803, R.C.M. 1947, is amended to
10 read as follows:

11 "84-803. Duties of the state department of revenue
12 respecting statement. The state department of revenue must,
13 within the time mentioned, in the preceding section,
14 transmit by mail to the agent of the department in each
15 county, to which such apportionment is made, a statement in
16 detail sufficient for identification and location of the
17 property, showing the assessed value per mile of the same
18 and the assessed value using such other methods referred to
19 in section 84-708.1, R.C.M. 1947, as fixed by a prorata
20 distribution per mile of the assessed value of the whole
21 franchise, roadway, roadbed, rails, and rolling stock of
22 such railroad, within the state, and the amount apportioned
23 to the county and to each taxing subdivision thereof. The
24 agent of the department of revenue in each county must enter
25 the statement on the assessment roll of the county."

1 Section 3. Section 84-906, R.C.M. 1947, is amended to
2 read as follows:

3 "84-906. Transmission of statement of amount
4 apportioned to counties. The state department of revenue,
5 must, not later than the second Monday of July, transmit or
6 mail to the agent of the department in each county to which
7 such apportionment has been made, a statement showing the
8 ~~length-of~~ the property in such county; a description of the
9 same sufficient for identification; the assessed value of
10 the same as determined by the department; and the amount
11 apportioned to the county. The agent of the department must
12 enter the statement on the assessment roll or book of the
13 county, and enter the amount of the assessment apportioned
14 to the county in the column of the assessment roll or book
15 which shows the total value of all property for taxation in
16 the county."

-End-

44th

LEGISLATIVE SESSION

COMMITTEE ON TAXATION

<u>SENATE</u>	<u>ENTERED</u>	<u>DATE</u>	<u>OUT OF</u>	<u>DO PASS</u>	<u>DO NOT</u>	<u>DO PASS</u>	<u>BE CON-</u>	<u>BE CONC. IN</u>	<u>BE NOT CON-</u>
<u>BILL NO.</u>	<u>COMM.</u>	<u>CONSIDERED</u>	<u>COMM.</u>	<u>DATE</u>	<u>PASS DATE</u>	<u>AS AMEND.</u>	<u>CURRED IN</u>	<u>P.S. AMENDED</u>	<u>CURRED IN</u>
						<u>DATE</u>	<u>DATE</u>	<u>DATE</u>	<u>DATE</u>
369	2/4		2/26			2/26			
370	2/4	2/20	2/20			2/20			
381	2/26							3/6	
382	2/6	2/14							
405	4/9	4/9	4/9			4/9			
407	4/16	4/16	4/16			4/16			

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 20, 1975

The twenty-sixth meeting of the Taxation Committee was called to order in Room 415 of the State Capitol Building on the above date, at 8:15 a.m., by Chairman Watt.

ROLL CALL: Roll call found all members present with the exception of Sen. Town, excused.

The following witnesses were present:

Helen M. Peterson	Tax Appeal Board
John Dracon	Mont. School Administrators
Jack Buckley	Mountain Bell
Bob Gannan	Montana Power
Larry Lewis	Dept. of Revenue
Ken Morrison	"
Dennis Burr	"
Gene Phillips	Pacific Power & Light
Peter C. Pauly	MDU
Steve Colburg	State Sup't. Office

CONSIDERATION OF SENATE BILL 289: Sen. Thiessen introduced his bill and said it was an alternative to SJR14, and allows tax credit for any money given to the universities or parochial schools. Following his testimony Mr. Lewis spoke. He testified neither as a proponent nor an opponent, but explained the procedure the Department would have to follow should the bill become law, saying it would be quite complicated.

Chairman Watt asked for further proponents or opponents and there being none, opened the meeting for questions by the committee. Following questioning of Sen. Thiessen and Mr. Lewis, hearing on SB289 was closed.

CONSIDERATION OF SENATE BILL 370: In the absence of Sen. Devine, Mr. Burr of the Department of Revenue spoke briefly and introduced Mr. Morrison who explained the bill. He explained the present method of assessment of utilities and the two Department representatives introduced some written testimony to further explain the method of computing tax allocations to counties, copy attached, Exh. #1.

Chairman Watt then asked for other proponents and following, opponents. Committee members then asked a number of questions of Burr and Morrison to determine if the bill would in actuality equalize the assessment. Following the discussion, and possible amendment, hearing on SB370 concluded.

CONSIDERATION OF SENATE BILL 179: Sen. Turnage introduced Ms. Peterson who explained the need for this legislation and cited instances where county tax appeals boards had insufficient time to give a fair hearing to cases, because of the present law. Following her testimony Chairman Watt

Feb. 20, 1975

asked for other proponents, and following, the opponents, and there being none permitted questions by the committee.

CONSIDERATION OF SENATE BILL 177: Sen. Mathers said this was the same as a bill introduced last year except 10% of the coal tax would go into the trust and legacy fund. Mr. Colburg spoke briefly on the bill as did Mr. Dracon. Chairman Watt and the committee asked a number of questions of the witnesses.

DISPOSITION: Sen. Turnage pointed out several amendments to make SB370 acceptable to the committee and after some discussion, action was taken on this bill.

Sen. Turnage Moved to Adopt the Amendments on SB370. This motion carried unanimously. Note for the record the absence of Sen. Towe.

Sen. Turnage then MOVED SB370 DO PASS AS AMENDED; motion carried.

There followed discussion on SB289 and 140. An amendment was agreed upon, in the title and to strike everything after the enacting clause, as well as the insertion of new material in the body of the bill. Mr. Tippy was instructed to prepare the bill, with amendments, for the following day.

Sen. Turnage Moved to Adopt the Amendments to SB140; motion carried.

Following disposition of these bills, meeting was then adjourned.

Robert D. Watt
ROBERT D. WATT CHAIRMAN

TAXATION COMMITTEE

Date 2/20

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

STANDING COMMITTEE REPORT

February 20 1975

MR. PRESIDENT

We, your committee on TAXATION

having had under consideration SENATE Bill No. 370

Respectfully report as follows: That SENATE Bill No. 370,

be amended as follows:

1. Amend page 2, section 1, line 18.

Following: "but"

Strike: "which is not part of any such single and continuous property."

Insert: "shall not be considered as a part of any such single and continuous property, but"

AND AS SO AMENDED, DO PASS

064486

STATE PUB. CO.
Helena, Mont.

ROBERT D. WATT

Chairman.

1975
house

Bill No. Subject Matter TAXATION COMMITTEE

SB 14 Replace natural gas distributor license tax with a severance tax on production of natural gas; 44th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
SB 308	Providing oil production royalty interests share oil producers' license tax on a pro rata basis	2/24	MATHIS Turrage	3/20	Heard BE CONCURRED IN	3/24/75
SB 319	Provide privilege and license tax on oil & gas producers be due at time oil & gas is marketed.	2/24	KOLSTAD Nilson	3/20	Heard BE CONCURRED IN	3/24/75
SB 186	Amend 84-7012, provide for penalty, interest & tax liens for failure to file statement under Mont. Resource Indemnity Trust Act; that atty.gen. enforce collections; effective date.	2/25	ROMNEY Jergeson	3/15	Heard BE CONCURRED IN	3/19/75
SB 244	To submit to electors amendment to Article VIII, Sec.3 of constitution to transfer general property tax administration from state to counties.	2/26	MANLEY McCallum	3/15	Heard - BE NOT CONCURRED IN	3/15/75
SB 370	Provide alternative methods of apportioning utility assessments to counties & amend. 84-708.1, 84-803, 84-906.	2/26	DEVINE (At request D of R)	3/18	Heard - BE CONCURRED IN AS SO AMENDED BE CONCURRED IN	3/18/75 3/19/75
SB 96	Amend sec. 84-603 to provide application for property value reduction be filed the 3rd Mon. of July rather than August 1.	2/14	MATHERS (Tax Ap. Bd.)	3/19	Heard BE CONCURRED IN	3/19/75

SENATE BILL NO. 370

INTRODUCED BY DEVINE

(BY REQUEST DEPARTMENT OF REVENUE)

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR
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in the state, or more than one (1) state, and to To
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properties are located on a mileage basis, or in the case of
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however, that or if the property of any company assessable
under this section is of such a character that its value
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SHALL NOT BE CONSIDERED AS A PART OF ANY SUCH SINGLE AND
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distinct therefrom, and shall be assessed by the agent of
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(2) To transmit to the county clerk of each county its

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3 property among the several counties, and the different
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20 state and assist in their enforcement. Further, the state
21 department of revenue is empowered to organize, and it shall
22 be its duty to schedule and hold area schools within the
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24 necessary in the judgment of the department and the costs of
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1 the state. Further, the department shall determine if there
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3 and such school shall be held, when deemed necessary. The
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13 be instituted to enforce the laws relating to the penalties,
14 liabilities and punishment of public officials and persons,
15 or their agents, for failure or neglect to comply with the
16 provisions of the statutes governing the revenue of the
17 state or municipal corporations; and to cause complaints to
18 be made against assessors and other public officers to the
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25 receipt by the municipality of the above statement, the same

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15 county, and enter the amount of the assessment apportioned
16 to the county in the column of the assessment roll or book
17 which shows the total value of all property for taxation in
18 the county."

-End-

TAXATION COMMITTEE

March 18, 1975

Chairman Dan Yardley called the meeting to order at 8:05 a.m. in room #108, Capitol Building, Helena. All members appeared with the exception of Rep. Harrison Fagg, who was excused. Senate bills 23, 140 and 370 were scheduled to be heard.

Senator Allen C. Kolstad, district 5, Liberty County, chief sponsor, advised SB 140 was introduced at the request of the county commissioners in the state. It would increase the limit that they are allowed to sell property without advertising for bids on personal property to \$2500.

SENATE BILL 140

Mr. Dean Zinnecker, Montana Association of Counties, Helena, executive director, supports SB 140 as the counties will not have to go through advertising formalities and selling at court house steps for real property of less than \$100 value, nor personal property for less than \$2500 value.

Senator John W. Devine, district 19, Cascade County, sponsored SB 370 at the request of the department of revenue, and in his absence Kenneth Morrison, department of revenue, explained it is for the purpose of establishing alternative methods of apportioning utility assessments to the counties. The department would be allowed to allocate value of microwave equipment. The county in which the equipment or lines are located would be credited with the assessment. If SB 370 is passed, wouldn't need House Bill 203 as it includes another section. Mr. Morrison was to check to see if HB 203 is compatible.

SENATE BILL 370

Senator Glen L. Drake, district 16, Lewis & Clark Co., sponsor of SB 23, advised this is a constitutional implementation bill. There is no manner by law for equalization within the state for valuation of taxable property. SB 23 calls for and creates a plan by the department of revenue for equalizing taxes both intra and inter-county and provides for a five year cyclical revaluation.

SENATE BILL 23

Mr. Larry Huss, Helena Property Owners Association, Helena, says SB 23 is agreed upon between department of revenue and Senator Drake and other sponsors. They oppose HB 559 and will ask that the committee kill it and consider favorably SB 23. They ask that section 2 be stricken in its entirety and the amendment added, which provides for inter-county equalization of values which accomplishes the same thing as section 2. Effective date is to be deleted. Recommend do pass as finally amended.

Mr. Mants Hutchinson, department of revenue, supports SB 23. The department needs a plan for cyclical revaluation providing that all property in the state would be subject to review in the next five years. To prepare plans for a master plan for the state showing where each county will fall will take until July 1, so effective date is not necessary.

Mr. Frank C. Montibeller, Jr., Helena Property Owners Association, Helena, supports SB 23 as they feel that a total over all plan is necessary. Suit filed against the department of revenue for revaluation of Lewis & Clark Co., and not other counties, is basis for this over all action.

Mr. Dean Zinnecker, Montana Association of Counties, Helena, supports the idea of a plan for revaluation.

Mr. Edward Nelson, Montana Taxpayers Association, supports SB 23 as amended.

Discussion: Anyone will be able to know what formula has been developed for the department to follow. Appraisers will understand the plan and abide by it. Legislation of this type is necessary to avoid future lawsuits. The department is indifferent as to which bill passes, but they will ask that HB 559 be killed.

SENATE BILL 23 - Rep. Fabrega moved that Senate bill 23 be amended in the third reading copy as follows: Amend the title, page 1, lines 5 and 6, by striking: "; AND PROVIDING AN EFFECTIVE DATE"; 2. Amend page 2, section 2, line 9, following: "SECTION 2.", strike all remaining language of the section; and insert: "THE SAME METHOD OF APPRAISAL AND ASSESSMENT SHALL BE USED IN EACH COUNTY OF THE STATE TO THE END THAT COMPARABLE PROPERTY WITH SIMILAR TRUE MARKET VALUES AND SUBJECT TO TAXATION IN MONTANA SHALL HAVE SUBSTANTIALLY EQUAL TAXABLE VALUES AT THE END OF EACH CYCLICAL REVALUATION PROGRAM HEREINBEFORE PROVIDED."; and 3. Amend page 3, section 6, lines 14 and 15 by striking all of Section 6 in its entirety. Motion to amend carried unanimously.

Rep. Fabrega moved that SB 23 as so amended be concurred in. Motion carried unanimously. So SENATE BILL 23 AS SO AMENDED BE CONCURRED IN.

SENATE BILL 140 - Rep. Edward Lien moved that SB 140 Be Concurred In. Motion carried with Reps. Lien, Thomas, Yardley, Bengtson, Fabrega, Teague, Williams, Anderson voting for concurrence, and Reps. Johnson, Hager and Kemmis voting No. So SENATE BILL 140 BE CONCURRED IN.

SENATE BILL 370 - Rep. Daniel Kemmis moved that SB 370 Be Concurred In. Motion carried unanimously. So SENATE BILL 370 BE CONCURRED IN.

Date July 10, 1975 Sept Bill No. 172 Time

NAME	YES	NO
ANDERSON		✓
ANDERSON		
BENGTSON		✓
DASSINGER	✓	
FABREGA		✓
FAGG		
HAGER		✓
HALVORSON		✓
JOHNSON	✓	
KEMMIS	✓	
LIEN	✓	
TEAGUE	✓	
THOMAS		
WILLIAMS		
YARDLEY	✓	

Secretary Sheld Hall

Chairman

Motion: Rep. Kemmis moved S.B. 172 be
concurrent in
Motion Failed

(include enough information on motion—put with yellow copy of committee report.)

Hearing adjourned at 8:25 a.m., and committee went into executive session.

SENATE BILL 104 - Rep. W. Jay Fabrega moved that SB 104 BE CONCURRED IN. Motion carried unanimously. Fabrega will carry.

SENATE BILL 179 - Rep. J. Melvin Williams moved that SB 179 BE CONCURRED IN. Motion carried unanimously. Williams carries.

SENATE BILL 96 - Rep. Williams moved that SB 96 BE CONCURRED IN. Motion carried unanimously. Williams will carry.

SENATE BILL 370 - Rep. Daniel Kemmis moved that SB 370 be reconsidered. Motion carried unanimously. Rep. Kemmis moved that the bill be amended in the third reading copy as follows: Amend page 9, section 3, line 9, following "showing", insert "the length or amount of". Motion carried unanimously. Rep. Kemmis moved that SB 370 AS SO AMENDED BE CONCURRED IN. Motion carried unanimously. Rep. Kemmis will carry on floor.

SENATE BILL 186 - Rep. Harrison Fagg moved that SB 186 BE CONCURRED IN. Motion carried with Reps. W. Jay Fabrega, Tom Hager voting No. Rep. Fagg will carry.

SENATE BILL 208 - Rep. Ora J. Halvorson moved that SB 208 BE CONCURRED IN. Motion carried unanimously. Either Rep. Lien or Rep. Aageson will carry.

Senate Bill 230 - Rep. Tom Hager moved that it be not concurred in. Rep. Kemmis made a substitute motion that SB 230 be concurred in. Motions were withdrawn for further consideration.

Senate Bill 298 - Rep. W. Jay Fabrega moved that it be not concurred in. Rep. Fagg made a substitute motion that this bill be postponed until next week. Rep. Fagg's bill HB 672 is similar. Substitute motion carried with Reps. Williams, Bengtson, Anderson, Kemmis, Yardley, Fagg voting for postponement, and Reps. Fabrega, Hager and Halvorson voting NO.

SENATE BILL 305 - Rep. Daniel Kemmis moved that SB 305 BE CONCURRED IN. Motion carried with Rep. Dan Yardley abstaining.

SENATE BILL 91 - Rep. Harrison Fagg moved that SB 91 BE NOT CONCURRED IN. Motion carried with Reps. Fagg, Fabrega, Anderson, Hager, Yardley, Williams, Halvorson voting yes; and Reps. Kemmis, Bengtson, Teague voting NO.

Executive session adjourned at 9:30 a.m.


REP. DAN YARDLEY, Chairman

HOUSE OF REPRESENTATIVES

March 19, 1975

HOUSE COMMITTEE ON TAXATION AMENDMENT TO SENATE BILL 370.

Amend Senate Bill 370 in the third reading copy as follows:

1. Amend page 9, section 3, line 9.

Following: "showing"

Insert: "the length or amount of"

AS SO AMENDED
BE CONCURRED IN

SENATE BILL NO. 370

INTRODUCED BY DEVINE

(BY REQUEST DEPARTMENT OF REVENUE)

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR
ALTERNATIVE METHODS OF APPORTIONING UTILITY ASSESSMENTS TO
THE COUNTIES AND AMENDING SECTIONS 84-708.1, 84-803, AND
84-906, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 84-708.1, R.C.M. 1947, is amended
to read as follows:

"84-708.1. Powers and duties of the state department
of revenue. (1) To annually assess the franchise, roadway,
roadbeds, rails, and rolling stock, and all other property
of all railroads, and the pole lines and rights of way and
all other property of all telegraph and telephone lines,
electric power and transmission lines, ditches, canals, and
flumes, and other similar property, constituting a single
and continuous property operated in more than one (1) county
in the state, or more than one (1) state. and to To
apportion such assessments to the counties in which such
properties are located on a mileage basis, ~~or in the case of~~
~~telegraph or telephone microwave electronic equipment, which~~
~~has no physical connection with the total system, but is an~~

~~integral part of such system, apportion the valuation for~~
~~assessment of such company in this state among the several~~
~~counties of this state in such proportion as will fairly~~
~~represent the valuation for assessment within each such~~
~~county, utilizing commonly recognized methods of~~
~~apportioning as shall be just and equitable, provided,~~
~~however, that or if the property of any company assessable~~
~~under this section is of such a character that its value~~
~~cannot reasonably be apportioned on the basis of mileage,~~
~~the department may adopt such other method or basis of~~
~~apportionment to the county or counties in which the~~
~~property is situated as may be just and proper. All lots~~
~~and parcels of real estate not included in right of way,~~
~~with the buildings, structures, and improvements thereon,~~
~~dams and power houses, depots, stations, shops, and other~~
~~buildings, erected upon right of way, furniture, machinery,~~
~~and other personal property, shall not be considered as a~~
~~part of any such single and continuous property, but which~~
~~is not part of any such single and continuous property,~~
SHALL NOT BE CONSIDERED AS A PART OF ANY SUCH SINGLE AND
CONTINUOUS PROPERTY, BUT shall be considered as separate and
distinct therefrom, and shall be assessed by the agent of
the department of revenue in the county wherein they are
situate.

(2) To transmit to the county clerk of each county its

REFERENCE BILL

1 apportionment of all assessments made by the department.

2 (3) To adjust and equalize the valuation of taxable
3 property among the several counties, and the different
4 classes of taxable property in any county and in the several
5 counties and between individual taxpayers; supervise and
6 review the acts of agents of the department; change,
7 increase or decrease valuations made by its agents; and
8 exercise such authority and do all things necessary to
9 secure a fair, just and equitable valuation of all taxable
10 property among counties between the different classes of
11 property and between individual taxpayers.

12 (4) To have and exercise general supervision over the
13 administration of the assessment and tax laws of the state,
14 and over its agents and any officers of municipal
15 corporations, having any duties to perform under any of the
16 laws of this state relating to taxation to the end that all
17 assessments of property be made relatively just and equal at
18 true value in substantial compliance with law, and to
19 supervise the administration of all revenue laws of the
20 state and assist in their enforcement. Further, the state
21 department of revenue is empowered to organize, and it shall
22 be its duty to schedule and hold area schools within the
23 state for appraisers and assessors as often as is deemed
24 necessary in the judgment of the department and the costs of
25 such appraisers and assessors attending shall be borne by

1 the state. Further, the department shall determine if there
2 is a need for a taxing, assessing, and appraising school,
3 and such school shall be held, when deemed necessary. The
4 department shall notify all assessors and appraisers at
5 least six (6) months before such school is scheduled and it
6 shall be the duty of all assessors and appraisers to attend
7 and the cost of their attendance shall be borne by the
8 state.

9 (5) To confer with, advise and direct officers of
10 municipal corporations as to their duties, with respect to
11 taxation, under the statutes of the state.

12 (6) To direct proceedings, actions and prosecutions to
13 be instituted to enforce the laws relating to the penalties,
14 liabilities and punishment of public officials and persons,
15 or their agents, for failure or neglect to comply with the
16 provisions of the statutes governing the revenue of the
17 state or municipal corporations; and to cause complaints to
18 be made against assessors and other public officers to the
19 proper district court for their removal from office for
20 official misconduct or neglect of duty.

21 (7) To require county attorneys to assist in the
22 commencement and prosecution of actions and proceedings for
23 penalties, forfeitures, removals and punishment for
24 violations of the laws of the state in respect to the
25 assessment of property and other revenue laws, in their

1 respective counties.

2 (8) To collect annually from the proper officers of
3 the municipal corporations information as to the assessment
4 of property, collection of taxes, receipts from licenses and
5 other sources, the expenditure of public funds for all
6 purposes, and such other information as may be needful and
7 helpful in the work of the department in such form and upon
8 such blanks as the department shall prescribe; and it shall
9 be the duty of all public officers so called upon to fill
10 out properly and return promptly to the department all
11 blanks so transmitted and in every way aid the department in
12 its work; to examine the records of all municipal
13 corporations for such purposes as are deemed needful or
14 helpful by the department.

15 (9) In its discretion, to inspect and examine, or
16 cause an inspection and examination of the records of the
17 officers of any municipality, whenever such officer shall
18 have failed, neglected or refused to return properly the
19 information required by this section within the time set by
20 the department. Upon completion of such inspection and
21 examination the department shall transmit to the clerk, or
22 other proper official of the municipality, a statement of
23 the expenses incurred by the department to secure the
24 necessary information. Within sixty (60) days after the
25 receipt by the municipality of the above statement, the same

1 shall be audited, as other claims of the municipal
2 corporation are audited and shall be paid into the state
3 treasury and if the same is not so paid the attorney general
4 shall institute an action, in the proper court, against the
5 municipality to recover the same.

6 The officers responsible for the furnishing of the
7 information collected pursuant to this section, shall be
8 jointly and severally liable for any loss the municipality
9 may suffer, through their delinquency; and no payment shall
10 be made to them for salary, or on any other account, until
11 the cost of such inspection and examination as provided
12 above shall have been paid into the treasury, or to the
13 proper officers of such municipality. They shall also be
14 subject to such other fines and penalties as prescribed by
15 law.

16 (10) To require persons, as defined above, to furnish
17 information concerning their capital, funded or other debt,
18 current assets and liabilities, cost and value of property,
19 earnings, operating and other expenses, taxes and all other
20 facts which may enable the department to ascertain the value
21 of the relative burdens borne by all kinds of property and
22 occupations in the state.

23 (11) To summon witnesses to appear and give evidence,
24 and to produce records, books, papers and documents relating
25 to any matter which the department shall have authority to

1 investigate and determine.

2 (12) To cause the deposition of witnesses residing
3 within or without the state, or absent therefrom, to be
4 taken upon notice to the interested party, if any, in like
5 manner that depositions are taken in actions pending in the
6 district court, in any matter which the department shall
7 have authority to investigate and determine.

8 (13) To examine into all cases where evasion or
9 violation of the laws for taxation of property, proceeds,
10 occupation or business is alleged, complained of or
11 discovered, and to ascertain wherein existing laws are
12 ineffective or are improperly or negligently administered.

13 (14) To investigate the tax systems of other states and
14 countries and to formulate and recommend legislation for the
15 better administration of the fiscal laws so as to secure
16 just and equal taxation and improvement in the system of
17 taxation and the economical expenditure of public revenue in
18 the state.

19 (15) To consult and confer with the governor of the
20 state upon the subject of taxation, the administration of
21 the laws relating thereto and the progress of the work of
22 the department, and to furnish the governor such assistance
23 as he may require.

24 (16) To transmit to the governor and to each member of
25 the legislature twenty (20) days before the meeting of the

1 legislature, a report of the department, showing all the
2 taxable property of the state and the value of the same in
3 tabulated form, with recommendations for improvements in the
4 system of taxation, together with such measures as may be
5 formulated for the consideration of the legislature; and to
6 include therein a report showing the selling price of
7 gasoline at the wholesale level in prime market centers of
8 Montana and in surrounding states during the biennium, with
9 indexes tabulated at sufficient intervals to show the
10 comparative state price structures."

11 Section 2. Section 84-803, R.C.M. 1947, is amended to
12 read as follows:

13 "84-803. Duties of the state department of revenue
14 respecting statement. The state department of revenue must,
15 within the time mentioned, in the preceding section,
16 transmit by mail to the agent of the department in each
17 county, to which such apportionment is made, a statement in
18 detail sufficient for identification and location of the
19 property, showing the assessed value per mile of the same
20 and the assessed value using such other methods referred to
21 in section 84-708.1, R.C.M. 1947, as fixed by a prorata
22 distribution per mile of the assessed value of the whole
23 franchise, roadway, roadbed, rails, and rolling stock of
24 such railroad, within the state, and the amount apportioned
25 to the county and to each taxing subdivision thereof. The

1 agent of the department of revenue in each county must enter
2 the statement on the assessment roll of the county."

3 Section 3. Section 84-906, R.C.M. 1947, is amended to
4 read as follows:

5 "84-906. Transmission of statement of amount
6 apportioned to counties. The state department of revenue,
7 must, not later than the second Monday of July, transmit or
8 mail to the agent of the department in each county to which
9 such apportionment has been made, a statement showing the
10 ~~length-of~~ THE LENGTH OR AMOUNT OF the property in such
11 county; a description of the same sufficient for
12 identification; the assessed value of the same as determined
13 by the department; and the amount apportioned to the county.
14 The agent of the department must enter the statement on the
15 assessment roll or book of the county, and enter the amount
16 of the assessment apportioned to the county in the column of
17 the assessment roll or book which shows the total value of
18 all property for taxation in the county."

-End-